

Hoot revenue strategy : video AR ads using CPR model

Performant content targetted relevant AR ads with measurable ROI - making video ads perform using AR call-to-actions plus CPR model

Hoot AR ads team

November 21, 2017

Hoot Live inc., a Delaware C-corp

Current landscape in digital video advertising

- current video advertising business model is based on ROI-blind CPM (cost per million impressions) pricing model
- which does not provide an accurate ROI picture for advertisement buyers
- Many ad-bots end up generating fake video ad views creating uncertainty/speculation about the actual cost, effectiveness & ROI of the ad
- ad pageview or impression is an obsolete metric lacking accountability of relevance, effectiveness & performance
- CPM model based on impressions earns lower revenue as there is no clear ROI picture & users are flooded with more irrelevant video ads that do not convert to actual sales numbers

Problems of current CPM video ad model

1. No clear call to actions in current video ads
2. Viewers are confused as to what to do after watching video
3. advertisers still pay unnecessary dollars \$\$ for ad bot & fake social-media video views
4. Viewers are not engaged enough in the video ad leading to significant drop-off in engagement & subsequently lower sales for advertisers
5. viewers do not buy the product they are forced to view on an irrelevant video ad
6. leading to unclear ROI to advertisers top-line/bottomline

Video ads are still stuck in the dark ages
reminiscent of banner ad days pre-Google Adwords


Augmented Reality has its iPhone/Netscape moment

- Apple iOS ARKit & Google Android ARCore are bringing AR tech to the masses at scale
- Pokemon Go is an early indicator of market readiness & consumer adoption of AR tech
- Timing is just right for AR ads
- Total addressable market(**TAM**) is \$ 60-100 Billion USD
- Unprecedented market opportunity as **600 million smartphones**(100 android + 500 iOS) are going to be **AR ready** by Q1 2018

Augmented Reality has its Netscape moment!!!

Hoot Augmented Reality ads



- * interactive AR models feel less like spammy ads & more like engaging content leading to increased viewer engagement & virality
- * Augmented reality ads create great engagement with users in key ways
- * Personalization: users & celebrities can upload bitmoji AR avatars to become part of the ad 
- * so celebrities like Rihanna can help engagement by using her avatar in an AR ad & help make it more viral
- * with clear call-to-action "BUY NOW" buttons can be programmatically added to the ad, e.g., *Buy concert ticket to Rihanna event*

BHAG Goal - Building Adwords of video



- Interactive AR models increase viewer engagement
- Clear, targetted, useful & engaging call to actions in video ads using AR after divining user-intent
- Viewers *know* what action to take after watching video ad by clicking "Buy" call-to-action
- Clear AR call-to-action ad performance ROI to advertisers
- show more relevant ads with higher conversions less frequently than CPM video ads leading to a quantifiably superior user experience

Relevant HOOT AR ADS helps usher a golden age of performant video ads like Google did to banner ads through Adwords

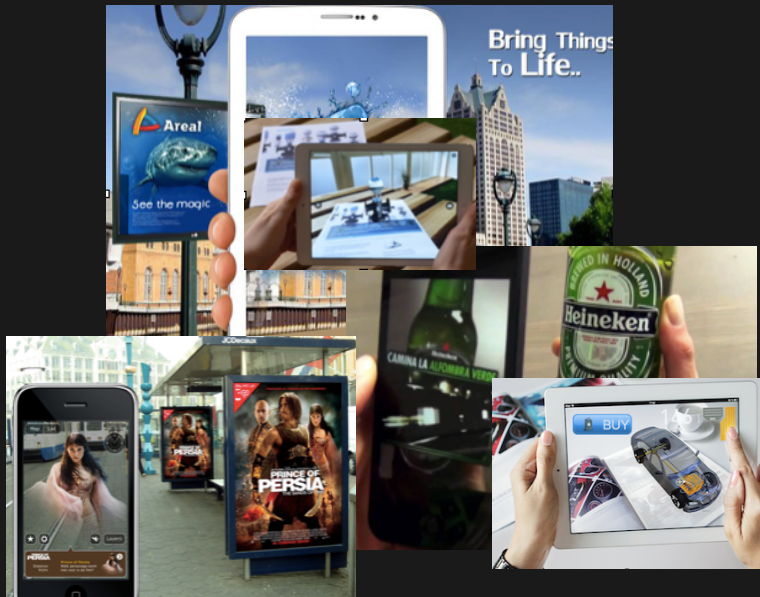
Hoot CPR model - video adwords economics i

- * Hoot AR ads uses a CPR model powered by a VICKREY auction engine
- * A *Vickrey auction* is one in which the winner pays the second-highest price, not the price they themselves bid
- * which allows Hoot to monetize only if the consumer clicks through to advertisers call to action
- *]& price based on a CPR(COST PER REFERRAL) model which is not based on ineffectively measuring impressions
- * making this model ROI aware & fake impression resistant
- * This benefits advertisers as they can now see a clearer ROI picture for their ad-spend dollars \$\$

Hoot CPR model - video Adwords economics ii

- * Buy actions are completed using irreversible BITCOIN ETH cryptocurrency txns instead of tedious credit cards further reducing friction & fraud
- * **Google Adwords & Amazon** proved conversions & **referrals** > **pageviews** & eyeballs in keyword advertising & e-commerce respectively. Mixpanel proved that actions > pageviews in analytics
- * we want to bring this action/referral/conversion ROI accountability to the Snap video ad world by ushering in CPR based performance pricing model
- * This benefits Hoot+Snap as we can now price based on measurable effectiveness, as Google is able to charge significantly more for Adwords based on performance, laying the foundations for a multi-billion dollar ad business

Hoot AR ads Questions? - building Adwords of the mobile video app web



Hoot Performant AR video ads + measurable ROI = Building Adwords of video i

Video Ads have been priced historically based on cost per million impressions(CPM) model for impressions served as it has been nearly impossible to know how much of these video ads lead to a product sale or if they even positively improve the ad-spend ROI for the advertisers topline. Viewers do not know what action to take & how leaving them confused to figure out how to follow up on the video ad they just saw, leading to viewer engagement drop off leading to lower sales & poor ad performance. Hence it has not been easy to measure ROI, effectiveness & performance of video ads historically.

Using interactive Hoot AR augmented reality ads with obvious call to actions i.e., buy button or rent button below the interactive Hoot AR ad, sales can be generated immediately after the viewer interacts with the Hoot AR ad. Payments or micro-payments are collected using crypto-currencies such as bitcoin, eth, litecoin & monero. Hoot is now able to price the ads based on sales referred from the user interaction with AR ad(referrals). So instead of ROI blind pricing based on impressions(CPM) we can price ROI aware based on cost per referral(CPR). The CPR

Hoot Performant AR video ads + measurable ROI = Building Adwords of video ii

price becomes the primary signal that drives the continuous Vickrey auction engine that powers the Hoot ad marketplace underlinesizing the importance of ad-spend ROI and value of referrals to the advertisers. Since CPR video ads perform 10x better than CPM ads they do not need to be shown as frequently as CPM ads to generate the same revenue, hence showing more relevant ads with higher conversions less frequently than CPM video ads leads to a quantifiably superior user experience. By bringing about an innovative CPR based business model to video ads using Augmented reality call-to-actions we bring the effectiveness of Google AdWords to video ads that thus far only performs as poorly as CPM banner ads. Google Adwords & Amazon affiliate program proved conversions & referrals are more valuable than impressions in keyword advertising & e-commerce respectively. We want to bring this accountability to the video ad world by ushering in CPR based performance pricing model. Hence Hoot AR ads with AR call to actions & interactivity, improves the effectiveness of plain video ads, leading to a quantum

Hoot Performant AR video ads + measurable ROI = Building Adwords of video iii

improvement in video ad-spend ROI very much like AdWords improved the ROI of web based banner ads, laying the foundation for a multi-billion dollar ads business.